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December 9, 2024  
SENSHU ELECTRIC CO., LTD.

### Measures to realize the management that takes capital costs and stock prices into consideration

We hereby announce to you the measures to realize the management that takes capital costs and stock prices into consideration as follows which has been resolved at the board of directors meeting held on December 9, 2024.

#### 1. Current Evaluation :

Since being listed on the First Section of the Tokyo Stock Exchange in November 2017, we have been striving to improve our corporate performance.

As a result ;

##### a. Efficient management (Fiscal Year of October 2024 : ROE 14.4%)

We have achieved an ROE that exceeds the target ROE set in Medium term management plan by more than 10% and the internally calculated cost of capital (recognized at 8% to 9%).

##### b. Stock price : 1,259yen on November 1, 2017 to 5,130 yen on October 31, 2024

PBR has achieved to 1.62 times on October 31, 2024.

The Stock price has risen steadily due to active IR activities and the recognition of improved business performance, and then currently PBR is maintaining more than 1 times right now.

Also we are also managing the company with a consciousness of the Stock price, such as by issuing the stock options and the restricted shares for transfer.

##### c. Shareholder returns (Fiscal Year of October 2024 : Total shareholder return ratio 48.0%)

- Dividend increase for 11 consecutive years.
- Cumulative purchase of these treasury shares: 2.43 million shares, Total amount of acquisition 7.4billion yen

We have been actively returning the profits to shareholders.

	2017/10	2018/10	2019/10	2020/10	2021/10	2022/10	2023/10	2024/10
Net Sales (million yen)	74,956	82,038	83,676	74,288	92,463	113,633	124,967	136,153
Operating profit (million yen)	3,202	3,868	3,979	3,124	4,743	7,464	8,366	10,349
Ordinary profit (million yen)	3,455	4,105	4,206	3,382	5,004	7,894	8,770	10,761
Profit attributable to owners of parent(million yen)	2,289	2,371	2,714	2,351	3,583	5,314	5,920	7,578
Operating Profit Margin	4.3%	4.7%	4.8%	4.2%	5.1%	6.6%	6.7%	7.6%
Equity ratio	58.0%	56.8%	57.7%	59.8%	50.9%	48.4%	49.7%	49.1%
ROE	6.4%	6.3%	7.0%	5.9%	8.6%	12.0%	12.3%	14.4%
End of period stock price *	1,255yen	1,304yen	1,425yen	1,446yen	2,382yen	2,696yen	3,085yen	5,130yen
Net assets per share*	1,830.83yen	1,921.82yen	2,047.40yen	2,147.90yen	2,342.59yen	2,578.24yen	2,843.95yen	3,165.42yen
PBR	0.69	0.68	0.70	0.67	1.02	1.05	1.08	1.62
Annual Dividend	45yen	55yen	70yen	70yen	90yen	140yen	110yen	130yen
Dividend payout ratio	19.9%	23.3%	25.3%	28.3%	23.2%	23.8%	33.0%	30.1%
Total shareholder return ratio	19.9%	43.1%	55.4%	70.7%	50.9%	43.0%	45.3%	48.0%

Listed on the First Section of the Tokyo Stock  
Exchange on November, 2017

Listed on the Tokyo Stock Exchange Prime  
Market on April, 2022

\*As a result of a stock split at a ratio of 2 for every common share conducted on November 1, 2022, the end of period stock price and net assets per share figures prior to the fiscal year ending October 2021 are shown at 1/2.

2. Policies and goals in the future : In the light of the current situation, and aiming to further business development, in Medium term management plan for Fiscal Year of October 2025 to October 2027 announced today, we will set new targets for the following items and then will make our best efforts to improve our corporate value.
  - a. ROE : More than 15%
  - b. Dividend payout ratio : More than 35%
  - c. Total shareholder return ratio : More than 50%
  - d. PBR : More than 2.0 times

3. Future initiatives :

- 1) Further Improvement of Profitability 【ROE】 ; With an aim to further improvement of profitability, we will work on the following items to improve our corporate value.
  - a. We will conduct our business activities with a renewed consciousness of the purpose of our group.  
Purpose of Senshu Electric Group  
"To responsibly supply important products for infrastructure required for the society"
  - b. We will invest the management resources in securing personnel and developing human resources to further growth of our employees.
  - c. We will expand our office and/or warehouse to meet the diverse needs of our customers.
  - d. We will utilize M&A and other means to expand our business fields and activities.
  - e. We will promote the digital transformation to conduct the management more efficiently.

2) Enrichment of shareholder returns 【dividend payout ratio, total shareholder return ratio】 ;

Returning the profit to shareholders is one of the most important issues of the management, and our basic policy is to maintain a stable dividend as in the past, which we judge comprehensively based on our business performance and retained earnings. At this occasion, in order to express these as coefficients, we will set dividend payout ratio, total shareholder return ratio. Subject to these coefficient, we will strive to improve the shareholder returns.

3) Strengthening IR (investor) and SR (shareholder) activities 【PBR】 ;

We will be actively conducting IR activities to increase the number of peoples who want to invest in our company. We will also focus on SR activities to ensure that existing shareholders receive solid shareholder returns and hold their shares for a long term.